

## COOPERATIVE EDUCATION PROGRAM

*Exchange of notes at Asunción March 10 and 12, 1948; extension agreement signed at Asunción March 8, 1948, by representatives of the Institute of Inter-American Affairs and the Government of Paraguay*

*Entered into force March 12, 1948; operative March 17, 1948  
Program expired June 30, 1960*

62 Stat. 2824; Treaties and Other  
International Acts Series 1815

### EXCHANGE OF NOTES

*The American Ambassador to the Minister of Foreign Relations and Worship*

EMBASSY OF THE  
UNITED STATES OF AMERICA  
*Asunción, March 10, 1948*

No. 26

#### EXCELLENCY:

I have the honor to refer to Your Excellency's note no. 287 dated March 3, 1948,<sup>1</sup> in which Your Excellency informs me that the Ministry of Education accepted the agreement presented in this Embassy's note no. 7 of December 11, 1947,<sup>2</sup> covering the establishment of a cooperative program of education in Paraguay.

The extension agreement referred to above was signed on March 8, 1948, by the Minister of Education and the Special Representative for the Institute of Inter-American Affairs, Education Division, authorizing the extension of the cooperative education program in Paraguay from March 17, 1948 through June 30, 1948.

Article XVIII of this instrument provides that it shall become effective as soon as diplomatic notes confirming and accepting this extension agreement have been exchanged between the Ministry of Foreign Relations and Worship of the Government of Paraguay and the Embassy of the United States of America in Paraguay. This Embassy, therefore, hereby confirms and accepts this extension agreement and respectfully requests that Your Excellency's Government confirm and accept it, by means of an appropriate note

<sup>1</sup> TIAS 1815, *ante*, p. 964.

<sup>2</sup> TIAS 1815, *ante*, p. 962.

in accordance with the above-mentioned Article, on or before March 16, 1948, at which time the existing agreement becomes invalid.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

FLETCHER WARREN  
*American Ambassador*

His Excellency

Doctor Don CÉSAR A. VASCONCELLOS,  
*Minister of Foreign Relations and Worship,  
Asunción.*

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*The Under-Secretary of State for Foreign Relations and Worship  
to the American Ambassador*

[TRANSLATION]

MINISTRY OF FOREIGN RELATIONS  
AND WORSHIP

D. P. y D  
No. 332

ASUNCIÓN, March 12, 1948

Mr. AMBASSADOR:

I have the honor to address Your Excellency to acknowledge receipt of note No. 26 of March 9 [10], in which you confirm and accept the extension of the agreement on the establishment of a cooperative program of education in Paraguay.

In this regard, I have the pleasure of informing Your Excellency that my Government accepts and confirms the extension agreement in accordance with the article mentioned in the note in question.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

[<sup>3</sup>]

*Under-Secretary of State for  
Foreign Relations and Worship*

His Excellency

FLETCHER WARREN

*Ambassador Extraordinary and Plenipotentiary  
of the United States of America  
Asunción.*

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<sup>3</sup> Signature illegible. Augusto Saldivar was, however, Under-Secretary of State for Foreign Relations and Worship on Mar. 12, 1948.

## EXTENSION AGREEMENT

The Republic of Paraguay (hereinafter referred to as the "Republic") represented by the Minister of Education (hereinafter referred to as the "Minister") of the Republic and the Institute of Inter-American Affairs (hereinafter referred to as the "Institute"), a corporate instrumentality of the Government of the United States of America and successor to the Inter-American Educational Foundation, Inc. (hereinafter referred to as the "Foundation"), represented by its Special Representative, Education Division, Mr. Frank E. Gilpin (hereinafter referred to as the "Special Representative"), have agreed to extend and modify, in the manner hereinafter set forth, the agreement executed by the Republic and the Foundation on March 17, 1945,<sup>4</sup> providing for a cooperative education program in Paraguay (which agreement as approved by Decree Law No. 8,635, of May 10, 1945, is hereinafter referred to as the "Basic Agreement").

## CLAUSE I

The cooperative education program in Paraguay hereby is extended for an additional period of approximately three and one-half months from the seventeenth day of March, 1948 through the thirtieth day of June, 1948.

## CLAUSE II

The objective of the cooperative education program in Paraguay shall continue to be, primarily, to assist in the development of vocational education within Paraguay, and to train personnel and to develop or acquire materials for that purpose and, secondarily, to develop such other projects in the field of education as may be of mutual interest to the Minister and the Special Representative of the Institute. The cooperative educational program is expected to continue to include:

- (a) Furnishing by the Institute of a small field staff of educational specialists for service in Paraguay in carrying out the cooperative educational program and to interchange ideas and experience with Paraguayan educators;
- (b) Grants to permit Paraguayan educators to go to the United States of America for specialized training, to lecture, to teach and to interchange ideas and experience with United States educators;
- (c) Exploration and survey in Paraguay of local educational needs and resources for carrying out training projects;
- (d) Development, adaptation, and exchange of suitable teaching materials.

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<sup>4</sup> Not printed. The 1945 agreement was amended and superseded by agreement signed Mar. 8, 1948 (TIAS 1815, *ante*, p. 967).

## CLAUSE III

The Republic recognizes the Institute as a corporate instrumentality of the Government of the United States of America and that the field staff in Paraguay constitutes a division of office of the Institute. The field staff of the Institute shall continue to be under the direction of an official of the Institute who shall have the title of "Special Representative, Education Division, The Institute of Inter-American Affairs" who shall be the representative of the Institute in connection with the program to be carried out in accordance with this Extension Agreement. The Special Representative and other members of the field staff of the Institute shall be acceptable to the Minister.

## CLAUSE IV

The special technical service created in the Ministry of Education of the Republic, pursuant to the Basic Agreement, under the name of "Servicio Cooperativo Interamericano de Educacion" (hereinafter called the "Servicio") shall continue to act as an intermediary between the Government of Paraguay and the Institute, and shall continue to carry out the cooperative education program. The Special Representative of the Institute shall continue to be the Director of the Servicio.

## CLAUSE V

The cooperative education program shall continue to consist of individual projects. The kind of work and the specific projects to be undertaken in the execution of this Extension Agreement and the allocation of funds therefor shall be agreed upon in writing by the Minister and the Special Representative, and shall be carried out by the Director of the Servicio in conformity with policies prescribed jointly by the Minister and the Special Representative. The Paraguayan educators to be sent to the United States and the terms of their scholarships or grants shall be mutually agreed upon in writing by the Minister and the Special Representative.

## CLAUSE VI

The Institute shall determine and pay the salaries and other expenses payable directly to or on account of members of the Institute field staff, as well as such other expenses of any administrative nature as the Institute may incur in connection with the development of the program, in an amount not to exceed Twenty-Two Thousand Dollars (\$22,000) U.S. Cy which shall be in addition to the One Hundred Thousand Dollars (\$100,000) U.S. Cy allocated for such purpose in Paragraph (a) of Clause VII of the Basic Agreement and the additional Twenty Thousand Dollars (\$20,000) U.S. Cy not required by the Basic Agreement but made available, nevertheless, by the Foundation on May 17, 1946, for such salaries and other expenses.

The said additional Twenty-Two Thousand Dollars (\$22,000) U.S. Cy shall be retained in the United States by the Institute, making a total of One Hundred Forty-Two Thousand Dollars (\$142,000) U.S. Cy which has been allocated by the Foundation and the Institute for such purposes and shall be in addition to the Seventy Thousand Dollars (\$70,000) U.S. Cy which the Foundation agreed to deposit to the account of the Servicio pursuant to paragraph (b) of said Clause VII of the Basic Agreement, making a total aggregate amount of Two Hundred Twelve Thousand Dollars (\$212,000) U.S. Cy allocated by the Foundation and the Institute for the cooperative education program in Paraguay.

The Republic shall deposit in a special bank account, in a Paraguayan bank mutually agreed upon by the Minister and the Special Representative of the Institute, to the account of the Servicio, the equivalent in Guaranies of the sum of Twenty-two Thousand Dollars (\$22,000) U.S. Cy converted at the best rate of exchange which the Bank of Paraguay concedes. The deposit required to be made by the Republic hereby shall be deposited during the month of March 1948, and the said deposit shall be in addition to the Republic's regular budget for education and in addition to the total amount specified in Clause VIII of the Basic Agreement to be deposited by the Republic to the account of the Servicio.

The deposits required by the Basic Agreement and by the preceding paragraph of this Extension Agreement to be made by the parties to such agreements shall be made as specified therein, provided that the dates of such payments may be accelerated or otherwise modified at any time by mutual written agreement of the Minister and the Special Representative. In the event, however, that any of the payments required to be made under the terms of the Basic Agreement or this Extension Agreement are made by either party and not matched by the other party within thirty (30) days of the corresponding due date of the payment required to be made by the other party the funds so deposited shall be forthwith returned to the contributor.

#### CLAUSE VII

All of the funds introduced into Paraguay by the Institute or the Foundation for the purpose of the cooperative education program shall be exempt from taxes, service charges, investment or deposit requirements and other currency controls and shall be converted into Guaranies at the best rate of exchange which the Bank of Paraguay concedes. Similarly where it is necessary to convert Guaranies into Dollars in connection with the cooperative education program in Paraguay including, but not limited to, the financing of grants or other expenditures in the United States of America, the Guaranies shall be converted into Dollars at the best rate of exchange which the Bank of Paraguay concedes and shall be exempt from Paraguayan taxes, service charges, investment or deposit requirements, and other currency controls.

## CLAUSE VIII

Any funds heretofore withheld by the Foundation pursuant to agreements between the Minister and the Special Representative of the Foundation for the purchase of materials and supplies and other disbursements in the United States of America relating to the execution of the cooperative educational program in Paraguay and not expended or obligated therefor shall be deposited in the Servicio bank account at any time upon the mutual agreement of the Minister and the Special Representative.

## CLAUSE IX

All contracts necessary to carry out the terms of the projects mutually agreed to as herein provided shall be made in the name of the Servicio and shall be signed by the Minister and the Director of the Servicio. Personnel to be paid out of program funds deposited in Paraguay to the account of the Servicio shall be selected by the Director of the Servicio subject to the approval of the Minister. The general policies and procedures for the execution of the Program and for the disbursement and accounting of funds, for the purchase, use, inventory, control and disposition of property and any other administrative matters, shall be determined or established by mutual agreement between the Minister and the Special Representative. Disbursements from the Servicio bank account shall be made by the Director of the Servicio, or his delegate but, if desired by the Minister, such disbursements shall also bear the countersignature of the Minister or his delegate. The books and records of the Servicio relating to the said cooperative educational program in Paraguay shall be open at all times for inspection by the representatives of the Republic and of the Institute, and the Director of the Servicio shall render financial reports to the Republic and to the Institute at such intervals as may be agreed upon between the Minister and the Special Representative.

## CLAUSE X

The Institute shall continue to use its best efforts to obtain such assistance and cooperation of other agencies, both public and private, in the United States of America, as may be appropriate for the execution of the said cooperative education program in Paraguay. The Republic in addition to its cash contribution as provided herein, shall (a) appoint specialists, in agreement with the Director of the Servicio, to collaborate with the field staff of the Institute; (b) make available office space, furnishings and such other facilities, materials, equipment and supplies as it may conveniently provide for the said program, and (c) lend the general assistance thereto of the other Departments of the Republic.

## CLAUSE XI

The funds payable by the Institute under the Basic Agreement or this Extension Agreement, or paid by the parties hereto into the said Servicio bank account, shall continue to be available for the said cooperative education program during the existence of this Extension Agreement, without regard to annual periods or fiscal years of either of the parties.

Interest, if any, on funds of the Servicio, and income, if any, upon investments of the Servicio, and any increment of assets of the Servicio of whatever nature or source shall be added to the resources of the Servicio and shall not be credited against the contributions of the Republic, the Foundation or the Institute.

The Minister and the Special Representative shall determine by mutual agreement the disposition of any unobligated funds and of any other personal property remaining in the control of the Servicio upon the termination of this Extension Agreement.

## CLAUSE XII

In the event that the Institute deems that the funds or any portion thereof which it has set aside for the payment of salaries or other expenses directly payable to, or on account of, members of the field staff, as provided in Clause VI hereof, will be more than is needed for that purpose, or for any other purpose of the Institute, the Institute will thereupon advise the Republic of the surplus which it can accordingly make available for projects under the program and such additional sum shall be paid into the Servicio bank account or be otherwise disposed of pursuant to this Agreement.

## CLAUSE XIII

All employees of the Institute who are citizens of the United States of America and are engaged in carrying out the objectives of the cooperative education program shall be exempt in Paraguay from all income taxes and social security taxes with respect to income on which they are obligated to pay income or social security taxes to the Government of the United States of America and from property taxes on personal property intended for their own use. Such employees and members of their families who reside with them in Paraguay shall be exempt, also, from payment of custom, port charges, or other duties on their personal effects and equipment, and supplies imported or exported for their own use and from investment and deposit requirements and from costs of foreign exchange conversions on funds brought into Paraguay for their normal living expenses.

## CLAUSE XIV

All rights and privileges which are enjoyed by governmental and official divisions or agencies of the Republic shall accrue to the Servicio. Such rights and privileges shall include, for example only, and not exclusively, free postal, telegraph and telephone service, special government rates made by trans-

portation companies and, also, freedom and immunity from excise, stamp, property income and all other taxes, as well as from consular charges and customs duties and port charges upon imports for the use of the Servicio in the cooperative education program. The Institute shall enjoy the same rights and exemptions with respect to its acts and property relating to the cooperative education program.

#### CLAUSE XV

All materials, equipment and supplies purchased with funds of the Servicio shall become and remain the property of the Republic and shall be devoted solely to the cooperative education program in Paraguay.

#### CLAUSE XVI

Any rights, powers or duties conferred by this Extension Agreement upon either the Minister, the Special Representative, or the Director of the Servicio, may be delegated by the recipient thereof to representatives in writing, provided that such representatives are satisfactory to the other parties. Regardless of the naming of said representatives, the Minister and the Special Representative shall have the right to refer any matter directly to one another for discussion and decision.

#### CLAUSE XVII

The Executive Power of the Republic will take the necessary steps to obtain the legislation, decrees, orders or resolutions necessary to carry out the terms of this Extension Agreement.

#### CLAUSE XVIII

This Extension Agreement supersedes the Basic Agreement in all respects whatsoever and shall become effective as soon as diplomatic notes confirming and accepting this Extension Agreement have been exchanged between the Ministry of Foreign Affairs of the Government of Paraguay and the Embassy of the United States of America to Paraguay.

IN WITNESS WHEREOF, the parties hereto have caused this Extension Agreement to be executed by their duly authorized representatives, in duplicate, in the English and Spanish languages, in the city of Asuncion, Paraguay, on this 8th day of March 1948.

For the Institute of Inter-American Affairs

FRANK E. GILPIN

*Special Representative*

For the Government of Paraguay

MARIO FERRARIO

*Minister of Education*